

## Message Text

UNCLASSIFIED

PAGE 01 NEW DE 17444 080749Z  
ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01  
INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06  
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-05  
CEA-01 /091 W

-----094413 082221Z /72

R 080644Z DEC 77  
FM AMEMBASSY NEW DELHI  
TO SECSTATE WASHDC 7837

UNCLAS NEW DELHI 17444

E.O. 11652: N/A  
TAGS: EFIN IN  
SUBJECT: BANK OF CREDIT AND COMMERCE INTERNATIONAL,  
LUXEMBURG TO OPEN A REPRESENTATIVES OFFICE

FOLLOWING SENT ACTION NEW DELHI INFO CALCUTTA MADRAS

FROM BOMBAY DEC 07 IS REPEATED

QUOTE  
UNCLAS BOMBAY 2914

EO 11652: N/A  
TAGS: EFIN IN  
SUBJ: BANK OF CREDIT AND COMMERCE INTERNATIONAL  
LUXEMBURG TO OPEN A REPRESENTATIVES OFFICE IN BOMBAY

1. A SOURCE IN THE RESERVE BANK OF INDIA (RBI) CONFIRMED  
THE DECEMBER 6 ECONOMIC TIMES STORY THAT THE BANK OF  
CREDIT AND COMMERCE INTERNATIONAL LUXEMBURG, HAS BEEN  
PERMITTED TO OPEN A REPRESENTATIVES OFFICE IN BOMBAY.  
THE OFFICE WILL BE LOCATED AT PRESIDENT HOTEL, CUFFE PARADE.

2. THE SOURCE HOWEVER, DECLINED TO COMMENT ON THE STATUS  
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OF THE APPLICATIONS OF OTHER FOREIGN BANKS, REFERRED TO  
IN THE REPORT.

3. COMMENT: ACCORDING TO PRESS REPORTS, GOI FINMIN H.M.  
PATEL HAD INDICATED ON THE FLOOR OF THE PARLIAMENT ON  
NOVEMBER 15 THAT APPLICATIONS HAD BEEN RECEIVED FROM  
THE BANK OF MONTREAL, BANK OF OMAN, CHASE MANHATTAN

(PREUMABLY TO UPGRADE ITS REPRESENTATIVES OFFICE TO A BRANCH) AND BANK OF CREDIT AND INTERNATIONAL, LUXEMBURG, TO START OPERATIONS IN INDIA. AMONG THE EXISTING FOREIGN BANKS CHARTERED BANK HAD APPLIED FOR PERMISSION TO OPEN 26 NEW BRANCHES, AND MERCHANTILE BANK, BRITISH BANK OF THE MIDDLE EAST, AMERICAN EXPRESS AND BANQUE NATIONALE DE PARIS FOR EIGHT, THREE , TWO AND ONE BRANCH RESPECTIVELY. ET OF NOVEMBER 1 HAD REPORTED THAT BANK OF FOREIGN TRADE OF RUSSIA HAS ALSO APPLIED TO RBI FOR PERMISSION TO ESTABLISH A REPRESENTATIVES OFFICE IN INDIA.

4. THE ET REPORT REFERRED TO ABOVE EMPHASIZED INDIAN COMMERCIAL BANKING INTEREST IN FOREIGN OPERATIONS, PARTICULARLY IN EXPANDING INTO FIELD BEYOND THE CURRENT RETAIL BANKING TO INDIAN RESIDENTS ABROAD, AND JUXTAPOSED IT WITH THE NEED FOR RECIPROCITY IN PERMITTING FOREIGN BANKS TO OPERATE IN INDIA. ACCORDING TO ET, "THERE SEEMS TO BE A SEA CHANGE IN THE OFFICIAL POLICY REGARDING FOREIGN BANKS OPERATING IN INDIA AS COMPARED TO THE PREVIOUS RESTRICTIVE POLICY FOLLOWING THE 1969 NATIONALIZATION OF THE MAJORITY OF INDIAN COMMERCIAL BANKS IN 1969. ROSENTHAL

UNQUOTE  
GOHEEN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CREDIT, BANKS  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**TAGS:** EFIN, IN  
**To:** STATE  
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**Review Markings:**  
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